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Leaves, but U.S. Denies Conflict A

Kennedy Says Officials Still Agree on Policy; Some Aid Is Cut Back

When U.S. foreign policy begins floundering overseas, the Central Intelligence Agency (CIA) often comes in for a large share of the blame. And so it is in South Vietnam, where John A. McCone's supersecret intelligence outfit has been accused of spreading confusion in Saigon by formulating policy independent of the State Department.

At his press conference last week, President Kennedy, who seldom comments publicly on the CIA, spoke out in its defense. The whole matter came up because of the transfer from Saigon of the CIA's chief "spook" there, John H. Richardson, Mr. Richardson, the theory went had clashed with Ambassador Henry Cabot Lodge over U.S. policy in South Vietnam.

Mr. Kennedy conceded there may have been some policy differences among the American agencies operating in Vietnam, but only at the lower levels. He said he knew of "no disagreement between the State Department at the top, CIA at the un, the White House, and Ambassador in ige on what our basic policies will the and what steps we will take to implement" them. He called Mr. Richardson a "very dedicated public servant."

Still, the suspicion lingered that Mr. Lodge had sought the Richardson transfer, and that the transfer signaled a possible shift in U.S. policy toward the South Vietnamese.

The Kennedy Administration is on record as wanting reforms in the govern-ment of President Ngo Dinh Diem, and has made it clear that the best way to start reforming things is to remove from high government councils the president's brother and chief adviser, Ngo Dinh Nhu. But the Administration had apparently rejected cutting off aid to the Diem regime to enforce such changes.

Last week, however, the State Department confirmed that the United States had withheld since August a part of the normal U.S. economic assistance to South Vietnam, amounting to about \$95,000,000 a year in grants for financing imports. And if this means Washington is pushing ahead with its attempts to reform the Diem regime, the Richardson transfer makes sense.

The CIA has been working hand in hand with South Vietnam's intelligence forces, headed by Nhu. And Mr. Richardson had long worked closely with Nhi 5-00001R000200410070-4

to President Diem's brother, would certainly prove less an obstacle to the Ad-